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# THE CURRENCY.

BY JUNIUS.

Author of "THE CRISIS OF THE COUNTRY," and other Tracts of 1840

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☞ The first number of this Series, THE TEST, or PARTIES TRIED BY THEIR ACTS, published and for sale as above. The next No. will be on the TARIFF, and may be expected soon.

CITY OF WASHINGTON, MARCH 4, 1843.

WE, the undersigned, impressed with a conviction of the importance and effectiveness of Tracts, as a means of informing the people in matters appertaining to our national interests, and of the suitable qualifications of JUNIUS, author of "THE CRISIS OF THE COUNTRY," and of other papers emanating from his pen in 1840, the wide circulation and great usefulness of which, at that time, are well known to the public, hereby express the hope, that he may be able to renew his labors of the same kind for the coming contest of 1844; and we earnestly recommend to our Whig friends, and to Whig Associations throughout the Union, to second his efforts, if undertaken.

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☞ NOTICE.—In compliance with the above recommendation, the Author of this Tract proposes, if occasion should seem to require, to publish several of the same kind, on the political questions of the time.

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## *Money.*

MONEY is the *medium of trade*, or the means by which trade is carried on.

## *Currency.*

Currency is that which *passes* for money, and, for the purposes of trade, is money.

## *Different kinds of Currency.*

The classification might be more extended, but *four* divisions will answer our purpose.

1. *Gold and silver, weighed in the scales, and assayed by Chemistry.*—This is the currency the world at large, or international currency, established from time immemorial. The stamp they bear is that of the Creator, and the tests applied to them are the Creator's laws. It is the only money recognized, as a common standard, in the commercial intercourse of nations. They constitute the *basis*, and are the *test* of all other currencies. All other currencies are sure to be *proved* by this, and none can stand in full credit, which are not convertible into this on demand.

2. *The legalized currencies of particular states and nations.*—With us they are the Federal coins, certain foreign coins adopted as a tender, and bank paper. These are all *credit* currencies. That is, the coins pass on the authority of law, and on the credit of the mint assays; and the bank notes pass on the faith of being convertible into specie on demand. Of the two, it will be found that the faith required for the use of coins, is greater than that exercised in the use of redeemable paper, first, because paper is tested every day by somebody at the bank; secondly, because coins are rarely tested; thirdly, because they are seldom found to be exactly equal to their credit value; fourthly, because, in the present state of the arts, they are more easily counterfeited than paper; fifthly, because they are inconvenient; and sixthly, because they occasion anxiety and hazard.

3. *All negotiable promissory notes, bills of exchange, letters of credit, drafts, checks, bonds, mortgages, and a great variety of evidences of debt,* are a valid and very common currency in the trading world. Some of the heaviest amounts of commercial transactions are done in one or more of these forms, at home, and with remote parts. These also are a *credit* currency.

4. *Parole currency, or currency of man's word.*—Among the yeomanry of our country population, more business is transacted by this, than in all other ways. It is the naked and most simple form of credit, and an honorable proof of sound morals. But it is an *actual* currency, and one of no less importance, than moral beauty. It is perhaps as sound, if not sounder, and as much to be relied on as any other. Certainly it is greatly used.

## *Remark.*

These statements may serve to show the practical operation of the *great principle* of a credit currency, and the foundation on which it rests. They show, too, that society cannot exist, nor trade go on, without it.

## *What gives credit to a currency.*

It is indispensable to the credit of a *common* currency, that it be always convertible into specie *on demand*. Otherwise its credit is instantly impaired, and it sinks just in proportion to the doubts cast over the prospects of redemption.

## *The reason of this.*

It is because gold and silver, weighed in the scales, and assayed by common laws, are the universal test.

## *No legislation can force credit into a currency.*

This truth is settled by experience. All governments have tried to legislate credit into their currencies, but without avail. France tried it in her assignats; Great Britain has tried it in various modes; we tried it in our Continental money; despots have tried it; but it always fails.

## *The reason.*

Gold and silver, weighed, is the only *common* currency of the great commercial world. This test finds its way everywhere, into all countries, and to all currencies, in spite of legislation, or the will of despots, and says, *Pay me that thou owest in THIS money*, or in that which will command it. Trade is *voluntary*, as between two parties, and cannot be *forced*. It is regulated by the scales, with gold or silver in them. The moment legislation or a despotism says, *You shall take my currency for so much*, if it will not bear the *common* test, it is not trade, but force.

The conventional law of the great commercial world, *gold and silver in the scales*, is more potent than the legislation of states and nations, or the arm of despots. It cripples both, the moment they attempt to contend against it.

*What constitutes the value of gold and silver.*

It is not the fact that they are *money*, but the fact that they are *in demand* for a great variety of purposes of utility, art, and ornament, on account of their peculiar and excellent qualities. Money is only *one* of the innumerable uses to which they are applied, and it is because they are in demand for these *other* uses that they have such value in the shape of money. It is this demand alone that *sustains* the value of gold and silver coins, and of bullion employed as money.

*What has given to gold and silver the office of money.*

It is the demand above spoken of—a demand existing from time immemorial, and which is likely always to exist. If so, and *only* for that, gold and silver will always be the money of the world, as they always have been.

*The proportion of the gold and silver used as money.*

It is estimated, that trade requires about *one sixth* or *one seventh* of the gold and silver of the world for the uses of money; and the amount devoted to this function increases or diminishes, according to the activity and extent of trade. When trade requires more, more *appears* in the form of money; and when it requires less, the excess is absorbed by other demands, or lies in deposit, waiting for the more profitable uses of trade.

*Scarcity of Money.*

It is stagnation in trade that goes by this name. There is always money enough, and more than enough, for the demands of trade. When trade *invokes* money, it is sure to come, first, because gold and silver, used as money, are more profitable than in other applications; and secondly, because there are always traders who can command it, and who will be sure to do so when they can profit by it. It is not, therefore, the non-existence of money that produces what is called *scarcity*; but the want of profit in the use of it.

*Where lies the responsibility of stagnation in trade.*

Government can facilitate or embarrass, revive or destroy the trade of a nation. It is fair to hold the Government responsible in this matter. The maxim of Mr. Van Buren, "Let the people take care of themselves, and the Government take care of themselves," is as destructive as it is fallacious. It is subverting the design of Government. It destroys the legitimate relations between the two parties. It is monstrous. The appropriate function of Government is a parental care of the people and their interests; but this maxim destroys this relation entirely. No wonder at the result. If the Government would *let* the people take care of themselves, they would.

*The Constitutional tender.*

The Constitution of the United States has wisely ordered, that "no State shall make anything but gold and silver coins a tender in payment of debts." The effect, and doubtless the design of this rule, is to keep the way open for the only legitimate test for all currencies, *viz.*, gold and silver *weighed in the scales*. The Constitution itself goes no farther than the test of *coins*, which is imperfect; but the aim of Government in the mint assays, is to keep the coins as near as possible to the test of the scales, which is near enough for all practical purposes, though seldom exact.

*A false notion.*

Some aver, that the Constitutional tender, gold and silver coins, is the only Constitutional currency. This cannot be maintained, first, because the rule itself grows out of the fact, and is based upon the fact of the existence and use of other currencies, and comes in to forbid that any other currency should be *forced* upon the public, by forcing it on creditors. So long as the creditor may lawfully *demand* gold and silver coins in payment of debts, his rights are sufficiently well secured. Secondly, to put an interpretation on the Constitution, which was contrary to the practice of the time, and which interferes with the necessities of society at all times, would be absurd. Thirdly, the rule, as we interpret it, is all-sufficient, as it leaves all currencies open to the test of gold and silver weighed.

*The political effect of this rule.*

The world is full of traders in money, or in the variety of currencies. The consequence



under this law of the Constitution, is, that every variety of currency is every day and every hour brought to the fundamental standard, gold and silver. This is the practical effect of the law, which was doubtless its intention, and which is as good a protection of the public against false and spurious currencies, as society can conveniently furnish.

### *What the people will have.*

In a free country, and with a trading, enterprising people, it is of no use to legislate against currencies, which the convenience of the public requires, and which the people will have, law or no law. They are the best judges of their wants and necessities. A State, for example, by an act of legislation, forbids the use of bank notes less than five dollars; but if the people want them, smaller notes rush in from other States, and the law is nullified. A State, it may be, thinks it best to try for an exclusive hard money currency by suppressing banks of issue and circulation. Immediately the country will be flooded with notes issued on the credit of private and irresponsible persons, "payable in goods at my store," at my price, and such like; or payable in notes of a foreign State, if five or ten dollars shall be presented at once, which is always inconvenient; and the chances are many to one, that, in the end, they will not be paid at all. Nevertheless, the people will use even such a currency, in spite of all law.

Congress refused to re-charter the Banks of the District of Columbia, and forbade the issue of notes less than five dollars, under severe penalties. The consequence was, that the depreciated paper of banks foreign to the District, rushed in; private persons set up banking without authority, and threw out notes payable in foreign paper, on conditions little better than not payable at all; shiplasters from unknown persons, of unknown value, and of all denominations, from sixpence upwards, were thick as leaves in autumn; and members of the Government, law makers and law administrators, were compelled to use them, in the face of their own penalties.

It is because the people will have a paper currency, however bad; or because they will use it, whoever utters it, or whatever be the terms of redemption. Such is the experience of the country.

### *An exclusive hard money currency impracticable.*

As we have seen, coins are a *credit* currency; but some think we ought to have no other. A moment's reflection will show, that the present amount and activity of trade could not possibly be carried on by such a currency. If, for example, all the trade of the city of New York were forced into this mode, it would probably take all the dealers to count it, and all the porters and carters to deliver it; if all the trade of the United States were compelled to be carried on in this way, it might require all our navy to protect the many millions of specie that would be constantly afloat, and the army to guard the many millions more passing by land, besides all other expenses and hazards of transportation. The bare expense of an exclusive metallic currency, for the present amount of the trade of the world, would in a short time be equal to its entire value. Such a currency would, therefore, be perfectly impracticable. It would stop itself, and stop trade, except in the small way of barbarians. An exclusive hard money currency seems to have stopped at the line which separates barbarism from civilisation, freedom from despotism.

### *The best currency.*

Except for small cash, in the way of change, and so long as the currency is so regulated as to be convertible into specie on demand, the best currency is that which combines convenience and the least intrinsic value; and that is paper, which costs almost nothing. Nothing is more convenient, and nothing costs less. Hence its use. All that the holders of paper money want to know, is, that it is good for its face, and will pass for that; in other words, that the bank will pay specie for it; and that makes it good. The less its intrinsic value, so much the better. When it is too much worn for use, the bank takes it, and nothing is lost; if it should be burnt, or sunk in the sea, or dropped by the way and never found, still nothing is lost, except to the owner; and he may be indemnified, if he can prove his loss, and specify the note or notes. In such a case, the bank is obliged to pay him, dollar for dollar.

It is apparent, therefore, that paper is the best currency in the world, so long as it is good for the amount in specie. It is most convenient, least expensive, and the safest. Among the inventions of trade, it is the *ne plus ultra* of modern civilisation.

### *The proper functions of gold and silver as money.*

Except for small cash or change, trade requires but a very small fraction of the gold and silver employed in the office of money, to be in actual circulation; nor is it possible it should

be, in the present amount and activity of trade. It is more economical, as well as more convenient and more safe, it is absolutely necessary, that the great bulk of it should lie in deposit as the *basis* of the circulating medium. It does not require to be moved at all, except in such quantities as may be necessary to restore the balance of trade between commercial points, when one has become indebted to another, as New York to Boston, or Philadelphia, or Baltimore, or Cincinnati, or New Orleans, and *vice versa*. In such cases of the indebtedness of one place to another, which cannot be settled in the way of trade, specie travels to balance the account. In the same manner, present demands are settled between our own and foreign countries, on whichever side they may be. Except for this great function, the great bulk of specie lies still, and is represented in the trading world by more convenient and less expensive currencies. Such is and necessarily always will be the actual operation of the commercial world.

### *The American Banking System.*

It is natural, certainly best, that the banking system of every country should be adapted to the genius and wants of the people. Hence, banking, as it grew up among us, had respect to the resources of the country, and the enterprise of our population. "Money makes the mare go." We had great resources, but wanted means to develop them, and thus to augment our wealth. To this end an augmentation of the circulating medium, over and above the specie basis, seemed to be required. How could this fairly and prudently be done?

Why thus:—Here is real estate worth at any time a *hundred thousand dollars*; and here are *ten thousand dollars* in gold and silver. Put these one hundred and ten thousand dollars together, under statute regulations, as a capital held liable for the debts of its trustees in their corporate capacity, and give them leave to issue on this basis not more than thirty thousand dollars of a paper currency, for which this capital is held exclusively liable. If the trust is honestly administered—and the penalties of fraud should be exemplary—the security is ample, and the public are safe. In case of suspension, the capital is three to one of the claims against it.

Now, although this case does not indicate all the usual functions of banking, nor in all cases its exact shapes, it is sufficient to characterize the *great principle* of our American system, to wit, to provide a circulating medium equal to the wants of the country, with a suitable regard to the safety of bill-holders and other creditors.

### *How such a system operates.*

With the exuberance of our resources and enterprise, it affords the means of multiplying wealth in a manifold degree. Instead of one dollar to trade with, we have several, and they are all good, being convertible into specie on demand; or if, in an extraordinary crisis, the banks are forced to suspend for a season, the notes are still good, while the capital liable is two, three, or five to one of the demands.

### *The hazards of such a system.*

When properly managed—and the law should secure this end—the only hazard is that of suspension in an extraordinary emergency of trade. Rightly understood, this need be no subject of alarm, as it is known by the conditions of the law, that the banks are allowed to issue more paper than they have specie in deposit; and consequently, if surprised by a run, or by a demand in excess of the deposits, that they are obliged to suspend. But the abundance of other capital held liable, is a sufficient security.

### *The benefits.*

It augments the circulating medium, the soundness of which cannot be questioned, because it is proved every day at the banks, and thus gives scope to enterprise, and increased facilities to trade. It is to this system of a sound credit currency, that, as a nation, we owe our unrivalled march to prosperity and wealth. By the use of the *principle of credit*, thus modified and guarded, it has anticipated means, and produced incalculable wealth out of resources which otherwise must have lain dormant.

### *The Credit principle.*

Credit is morality, and the exact measure of the soundness of the social state. To think of living without it, is turning the eye and footsteps back to a state of barbarism. Credit is the moral peculiarity of civilisation.

### *Origin of the war on the credit system of this country.*

The President of the United States—that once *was*—having been used to command, and being little tolerant of opposition, proposed, without any right, a man whom he wished ap-

pointed president of one of the branches of the United States Bank; but the head and directors of that institution, very unwisely perhaps, declined the offer. Whereupon, the President of the United States flew into a passion, and swore the destruction of the bank. "Behold, how great a matter a little fire kindleth!" The said President of the United States, when he came into power, as much expected to sign a bill to re-charter the bank, as to do anything else. But this affair altered the case, and he had them in his power.

### *Stages of the conflict.*

On the part of the President of the United States, 1. Veto of the bill to re-charter the bank. 2. Removal of Deposits. 3. Loaning the Deposits. 4. Specie circular. 5. Invoking the multiplication of State banks.

### *First effect.*

The destruction of that part of our currency that was properly *national*, struck out of existence the *balance power*, the *regulator* of the currency of the country, in consequence of which an unsuitable and unsafe number of State banks, and a vast amount of merely nominal banking capital, sprung up, like Jonah's gourd, to die as quick.

It appears by the letter of the Secretary of the Treasury, (House Doc. No. 111, second session, Twenty-sixth Congress) that the increase of banks from 1820 to 1830, was only 22, and the increase of bank capital, for the same period, only \$8,000,000. During this time the influence of the national *regulator* kept the unhealthy growth of State banks in check. But, behold the change! From the same document, *as above*, it appears that the increase of banks, from 1830 to 1840, was 392, (including branches, 571), and that the increase of banking capital for the same period, was \$213,000,000! It also appears, that this rapid increase did not begin till the fate of the national bank was sealed.

### *Another effect.*

A large portion of these banks failed, and the capital vanished, as might have been expected. The United States Almanac, for 1843, (which we suppose is good authority), states the number of bank failures, as a consequence of the revulsion of 1837-42, at 116; the losses on bank circulation and deposits, \$54,000,000; and on bank capital, \$248,000,000. This is a heavy reckoning for the loss of a *regulator*. But the effect on the country, in all forms, is also to be considered.

### *Who are the bank gamblers?*

In the increase of banks, from 1830 to 1840, *more than two thirds* of them were created by that political party that has taken the lead in denouncing banks; and well they might denounce them, for *more than half* of their own creation have *failed*, while *all but five* created by their opponents, during the same period, had resumed specie payments early in 1842, thus proving their soundness.

### *When a bank failure was rare.*

During the existence of a national institution as a balance power, it was seldom the country witnessed such an event as a bank failure; but since this regulating influence was removed, the whole country has been devastated by bank explosions; and the United States bank itself, after it became a *State* institution, was swept away in the general vortex.

### *How the United States Bank became corrupt.*

There is no evidence that this bank was unsound, while it was a *national* institution, but the contrary, if the proof of the pudding is in the eating. It always discharged its functions as fiscal agent of the Government with fidelity, without reward and without loss to the public; it yielded up the Government deposits on demand; the Government stock of six millions, and the dividends thereon, amounting to upwards of a million, were all realized; and it served the country equally well in the various functions of supply, regulator, and conservator of the currency. No man, or woman, or child, ever lost anything by it.

But, being driven off from its connection with the general Government, it was compelled, with its large capital, to take refuge under the wing of one of the States, where there was no room for it. It was like putting a seventy-four gun ship in a mill pond. Doomed to struggle against the continued and active hostility of the national Executive, it was tempted, for the employment of its capital, to go beyond the legitimate sphere of banking, into the field of commercial adventure, and commenced buying and selling cotton, &c., thus putting in jeopardy its capital and credit, till all was lost in the unanticipated revulsion of trade. Persecution furnished the plea of necessity; necessity led to crime; and crime ended in ruin—precisely as a man becomes a bandit, when society sets itself against him for a supposed offence.



and then lives on the spoils of his victims. It was the action of the general Government, after and *because* it became a *State* institution, that tempted it to crime, and the vengeance of Federal power that sealed its doom.

### *Some specific results of this contest.*

First, the balance power of the currency was broken down. What followed that, we have seen. Next, the public funds, which the constitution had assigned to the custody of the legislative branch of the Government, got into wrong hands. Thirdly, they were used, in the way of their disposal, to carry on this feud. Fourthly, loaning the deposits was another stage of the same quarrel. Some *forty millions*, that had thus been forced out of constitutional custody, into ninety-six banks, were ordered to be loaned—equally unconstitutional. A cashier of one of the pet banks, in Wall street, said, (as stated by Mr. Webster in his speech on the currency, at New York, 1840), “he hardly knew what to do, for he was ordered to loan more of the public money than he could find security for.” The money was *forced* on speculators.

### *The effect of loaning the deposits.*

It was a temptation, an enticement to general extravagance and wild speculation, and the whole country, individuals, corporations, and States, were seduced by the bait. Banks grew up like mushrooms, States launched out in internal improvements, and the whole community was infected with the madness of the time. The inflation of credit, produced by this cause, was unnatural, and doomed to burst. Ordinarily, trade, in its natural action, though in constant vibration, will regulate itself; but this unnatural impulse forced the pendulum to a fearful height, and its backward sweep put the whole machinery out of order.

### *A proof of this.*

The history of the State debts shows, that from 1820 to 1825, the increase of State bonds was \$12,000,000; from 1825 to 1830, the increase was \$13,000,000; from 1830 to 1835, when this stimulant began to operate, the increase suddenly rose to \$40,000,000; and from 1835 to 1840, it was \$109,000,000, nearly the whole of which was issued in 1835 and 1836, before the destruction of general credit. The imports of 1836, tempted by the same seductive influences, were \$61,000,000 in excess of the exports; and the home speculations and adventures, prompted by this cause, were on the same scale of extravagance. *The people were unaturally stimulated to excess by the action of the general Government.*

### *A Compact.*

It cannot be denied, that there was a virtual *compact* in these encouragements to speculation held out by the general Government to the States and people of the Union. The investment of the surplus revenue in State bonds, was publicly talked of in Congress, and a Senator, regarded as an organ of the administration, said in his place, “that he was not afraid to recommend such an investment of the national funds, as the States would issue as many bonds as the Government might choose to buy.” That the seducer should afterwards turn round, and accuse and berate his victims for the crime of seduction, was not very kind.

### *The effects of the specie circular.*

That was *cruel*. But it had now become necessary to break down all speculators, thus tempted into the field—individuals, banks, States, and all—in order to break down the prince of speculators at Philadelphia. The specie that was indispensable to sustain even tolerably the excess of credit occasioned by loaning the deposits, was suddenly withdrawn from under this stupendous superstructure, and sent to places where it was not wanted—and *down came everything*. Individuals went down in heaps, banks blew up in scores, States reeled on their foundations—and the whole country was prostrated.

### *Remarks.*

The destruction of credit, and the great revulsion of trade in 1837–42, and the consequent calamities, public and private, have been ascribed to criminal overtrading, extravagant speculations, and excessive use of credit, not, perhaps, untruthfully. But all the blame has been cast on the *people*. It was the Government that brought this charge, to screen their own faults, while they were the cause of it all. Nobody ever knew trade or credit hurt itself, when left to itself, except in particular instances. A man, now and then, may commit suicide; but a whole community never killed themselves in a heap; nor did trade or credit, as the attribute of a people, ever commit suicide. It is too sagacious, too vigilant, and has too much interest at stake. It would be a paradox. Nothing but high and overruling causes, independent of itself and superior to itself, can disappoint trade, or destroy credit through

out the ranks of an entire community. But trade and credit, with all their sagacity, could never foresee such freaks as the Government of this country has played with them, or such folly and rashness as they have been doomed to encounter in the governing powers. The trade and credit of the country fell before the strong arm of Government arrayed against them in forms unanticipated, and till the facts occurred, inconceivable. It was impossible for the nation to stand up under such fitful and disastrous changes of public policy, on such momentous matters.

### *Result.*

We had a good banking system, a good currency, a prosperous state of trade, and were doing well. *But—it was crushed.*

### *One error leads to a thousand.*

It may ruin a world, and has done so. The removal of the deposits was an act of arbitrary power in a momentous concern—it was a violation of the Constitution. The great machinery of public finances, once out of order, there was no end to it. It is not rectified even yet.

### *The functions of a currency in the body politic.*

It is as blood to the animal economy. Disturb it, or vitiate it, or impair it, or tie up its veins, or overcharge it, or drain it, or dam up its courses, or put clogs and trammels on its action, or in any way treat it rudely and unskilfully, the effect is precisely the same on the health and wealth of the nation, as is produced by a like treatment of the vital current, functions, and organs of the human body.

### *A Quack Doctor.*

A certain doctor gave out that a certain great animal was too plethoric, and required bleeding; but the blood being precious, he proposed to infuse it by injection into the bodies of certain other animals of the same genus. But it only threw them into a fever. He then proposed to draw it off again, and infuse it into the veins of the people. But it gave the people a fever. Then he thought it would better suit the bodies of the backwoodsmen, and he gave it to them by a like process. But, unfortunately, all the bodies thus practised upon, rather grew worse, and showed symptoms of a fatal termination. The virus, once communicated, became a raging epidemic. States caught it, cities and villages caught it, all manner of corporations caught it, individuals caught it, the whole nation was seized of it, new and artificial beings started into mushroom life, to get a little of the blood, and, after a feverish existence, died. At last, the fever being spent, there was an universal collapse, and all remedies failed to bring the patients to.

### *Can this country do without a bank paper medium?*

We have shown that it cannot do without a *paper* medium, nor does any sensible man dream that it can. The question, then, is, whether we shall use the paper of private and irresponsible persons, who are a law unto themselves, or whether we shall have a law-regulated currency, involving in it a proper responsibility to the public? Manifestly, there can be but one answer to this question. The people have decided in favor of a mixed currency, that they may always have a choice between gold, silver, and paper.

### *Question of a national paper medium.*

The next question is, whether it is best for the States alone to furnish a paper currency, or whether we shall have a national paper medium also? If experience be of any weight, we all know that we have always had trouble, and infinite trouble, when the States alone have done this. It was so before we had a national paper medium; it was so from 1811 to 1816, when we were left to be supplied by the State Banks alone; and we again find it has been so ever since the national paper medium has been last withdrawn—*nothing but trouble and infinite loss*; whereas, during the twice twenty years of a national paper currency, all went well, and no nation ever had a better currency. Are not these facts worth something? Might they not be conclusive?

### *Which is the safest?*

It is a notable fact that neither the government nor people have ever lost the first cent by a national bank, and that both and all have realized incalculable benefits. But all the cheating, all the bank frauds, and all the losses complained of, as falling on the public through the agency of banks, have come from *State institutions*. These, certainly, are pretty



It is, undoubtedly, true that the power of the General Government over a national institution, to prevent fraud, is much more effective than that of the States over their institutions. The skill of legislation in the former case, is of a higher order, as combining the concentrated wisdom of the nation, and they are exempt from *log-rolling*. The vigilance of the nation is greater—a thousand eyes to one. It would be next to impossible for a national institution to cheat the public. Although accused of that propensity, if the charge be just, the fact that it has not been done, proves that it could not be. But the State Banks have been for ever cheating us, and never so much as in the absence and for want of a national institution. When the cat is away, the mice are bold.

*But it is the moneyed power we have to fear.*

As to that, the appeal comes too late, when we have seen a bank of a hundred million power crushed by the hand of a single man, and that without the least difficulty, in the mere wantonness of power. The power over banks is always in the hands of government, in the mere words, of the people, at whose bidding they rise, and stand, or fall.

Moreover, if it is moneyed power we have to fear, the putting out of the way of a national bank of *thirty-five millions* of capital, to give place to some *four hundred* state banks, with more than *two hundred millions* of capital, was something like jumping out of the frying-pan into the fire. That we did jump into the fire, and got well singed, is, alas, too true.

*An Allegory.*

The head of a great family saw the big old Newfoundland family dog, in his path, and cried out unto his sons—"MAD DOG!" Whereupon the youngsters seized their rifles, gave chase, and shot him down. But it turned out that he was in no wise mad at all, and the loss was grievous. He had been especially useful in keeping the numerous pack of small dogs in order. The moment he was dead, the small dogs broke loose, many of them ran mad and bit numbers of the family. N. B.—One of the family took the carcase of the old Newfoundland, and undertook to galvanize it. He jumped a little, and then fell down, to jump no more.

*The regulating power of a national paper medium.*

In the *absence* of this, the State banks have always played the mischief with us; in its *presence*, no State bank of unsound capital has dared to make its appearance; or if so, its frauds were sure to be detected and exposed. Another most important office of a national paper medium, as we have seen, has been to repress the excessive increase of banks and bank capital.

*The universal credit of a national paper medium.*

This is indispensable to the domestic trade and the domestic commercial relations of the people of this country. A man starts on a journey with current money of the State banks, and at the end of the first stage, it becomes uncurrent. The further he goes, the worse it is; and the time has been, when a traveller might lose *fifty per cent.* on the money he set out with, before he gets to the end of his journey. It is the same in remittances. We have lost *forty-five per cent.* on money received as a remittance at the city of Washington, which was at par in the State where it came from. But between the remotest points of the Union, the discount on a national currency could not exceed *one cent and a half* on a hundred; generally it would be nothing; rarely over *half a cent*.

*The credit of a national paper medium abroad.*

It is as good at London, Paris, St. Petersburg, Constantinople or Canton, as at New York, Philadelphia, or New Orleans; whereas, our State bank paper is good for nothing abroad. Such credit of our national paper medium abroad is of incalculable importance to a great commercial nation like ours, and *has been* one of the proudest attributes of our national character.

*Influence of a national paper medium on domestic exchanges.*

It regulates, equalizes and facilitates them between the remotest points of the Union, so that all accounts of debt and credit at these distances, can be balanced at a most trifling rate of discount.

A national paper medium, indeed, is almost, if not quite as necessary, as the constitutional tender, and discharges nearly the same functions—exactly the same, so long as it is redeemable in specie.

*A national paper medium insures a sound paper currency everywhere.*

Nobody would tolerate an *unsound* national bank currency, nor have we ever had one.

nor would a national institution tolerate an unsound State bank currency. Consequently, in the co-existence of these two kinds, we are sure to have an *universally* sound currency. But whenever these have ceased to co-exist, we have had a bad currency.

*A national paper currency indispensable to supply an adequate circulating medium.*

Everybody feels, and it is apparent, that we have not an adequate circulating medium, now,—1843. It has been growing less and less, tighter and tighter, for a long time. In some parts of the interior of Pennsylvania, the people have been obliged to divide bank notes into halves, quarters, eighths, and so on, and agree from necessity to use them as money. In Ohio, with all her abundance, it has been hard to get money to pay taxes. The Sheriff of Muskingum County, as stated by the *Guernsey Times*, in the summer of 1842, sold at auction one four-horse waggon, at \$5 50; 10 hogs at 6½ cents each; two horses (said to be worth from \$50 to \$75 each) at \$2 each; two cows at \$1 each; a barrel of sugar for \$1 50; and a “store of goods” at that rate. In Pike County, Mo., as stated by the *Hannibal Journal* last winter, the Sheriff sold 3 horses at \$1 50 each; 1 large ox at 12½ cents; 5 cows, 2 steers, and 1 calf, the lot, at \$3 25; 20 sheep at 13½ cents each; 24 hogs, the lot, at 25 cents; 1 eight-day clock, at \$2 50; lot of tobacco, 7 or 8 hogsheads, at \$5; 3 stacks of hay, each, at 25 cents; and 1 stack of fodder, at 25 cents.

Thus has property been sacrificed in all parts of the country, because there was no money to buy it. But we need not prove what all know.

*The amount of our circulating medium at different periods.*

By a Congressional Document, before quoted, (No. 111, H. R. 2d Sess. 26th Congress), it appears, that the circulation of the banks, in 1830, was \$61,000,000; in 1835, \$103,000,000; in 1836, \$140,000,000; in 1837, \$149,000,000; in 1838, \$116,000,000; in 1839, \$135,000,000; in 1840, \$106,000,000; and the United States Almanac quotes it for 1841 at \$115,000,000, and for 1842, at \$63,800,000. It is now, in 1843, supposed to be about \$50,000,000—probably less. Some put it at \$40,000,000. The last we think is nearest the truth.

Some take it for granted, that the circulation of the years of excessive trade, 1835 and 1836, to the explosion of 1837, was much greater than usual, and greater than was necessary for a suitable amount of trade. That it was very much more active than usual, is doubtless true. But the excesses of that time did not necessarily require an excess of the circulating medium, nor is there evidence that it was materially swelled on that account. The excesses were committed chiefly by the abuse of *credit*, though doubtless the actual circulation was many times more active than usual; but it does not appear, that it was much, if at all greater in amount than the trade of the country, in a prosperous state, usually requires.

*The circulating medium of England.*

In 1836, it was \$280,000,000, while the aggregate of her imports and exports, for the same year, was \$480,000,000. Manifestly, other things being equal, England could do a given amount of business, connected with imports and exports, on a less amount of circulating medium than we can, as it is chiefly done at London and Liverpool, where the circulation is prodigiously active. Yet our circulating medium in 1836 was only \$140,000,000 for an aggregate of \$318,000,000 of imports and exports. An equal proportion of circulation for us would have been about \$190,000,000. These facts may serve to show, that as a commercial rival of England, we shall stand a poor chance, with a circulating medium of \$50,000,000, while she employs nearly six times that amount. Our field of trade is vastly wider, and our uninvoked resources immeasurably greater; but for want of an adequate circulating medium, we can neither cultivate the one, nor call out the other, as our interests claim. Relatively, we are at present in the retrograde movement.

*Our imports of Specie.*

From Senate Document, No. 290, 1st Session, 26th Congress, Report of the Secretary of the Treasury, it appears that, from 1834 to 1838, the imports of specie were in our favor by an aggregate of nearly *fifty millions* in five years; but in 1839, the balance was against us, as compared with 1838, by about *twenty-five millions*, with a positive loss of *eight millions*. The drain of specie from us continued, till the Tariff of 1842 put a stop to it, and for the first six months of 1843, the return of specie upon us has been at the rate of nearly *thirty millions* a year. Never, in our history, have we had such a rapid acquisition of the *basis* of a circulating medium. And surely, it was wanted bad enough.

*What occasions a general bank suspension.*

By the want of a suitable Tariff to keep money in the country. By buying of foreign

nations more than we sell to them, the balance of trade falls against us, which can only be settled by drafts on our specie. As most of this lies in bank vaults, the notes of our banks are bought up by the agents of foreign creditors, directly or indirectly, and presented for payment in specie for exportation, to satisfy these foreign demands. The only alternatives left, are for the banks to suspend, or the country be deprived of a circulating medium.

It is scarcely possible for a general bank suspension to occur under suitable Tariff regulations, uniformly maintained by our Government. It is true; indeed, that our foreign indebtedness, in the shape of state bonds, &c., might, in a given exigency, occasion the same result, on the same principle. But a suitable Tariff may be made to operate, in the manner of a sinking fund, to settle the whole of that account, and our country be amply supplied, in the meantime, with a circulating medium.

It cannot be objected to this, that the country is taxed to pay this foreign debt. It is not so, while domestic competition in the manufactures protected, makes the articles cheaper than they would be in open and free trade with foreign countries, and while the market for the products of our own soil is not injured, but rather improved, *as can be shown*. Consequently, all parties, and the country itself, are enriched, except that the profits of the import trade may be diminished. But what right have importers to demand an extent of trade in their line, that shall bring a balance against the country, as heretofore, and thus impoverish us all?

### *Trade a part of National jurisdiction.*

We have a republic of *trade* to take care of, as well as a jurisdiction of soil, and the rights of both are equally sacred. The former is always more exposed to foreign influence than the latter. We may get into the hands of foreigners before we know it. Everybody knows that a producer will come to ruin, that buys more than he sells, and that he cannot get rich unless he sells more than he buys. It is precisely with a nation as with an individual. If the Government allows the traders with foreign parts to run the nation in debt, by bringing to the home market more than they carry to foreign markets, the nation must, sooner or later, stop payment, and a general bank suspension is the *mode*, or a ruinous contraction of the circulating medium. Traders between nations will make all they can out of both sides, though a nation be ruined. They would not injure the country wantonly, but they must get rich, and be "merchant princes." The responsibility lies with the Government that *permitted* it.

### *Banks in a state of suspension may yet be sound.*

Their degree of soundness is daily proved by the discount at the money brokers, whose counters are the specie standard. There it is quickly found out, whether the discount is merely the usual penalty of suspension, or whether there is fear for the bank.

### *A duty of Government.*

It is the duty of Government to provide, that there be no necessity or apology for a general bank suspension, by its care of the trade of the country. The necessity of a general suspension arises from our buying of foreign countries more than we sell to them—in other words, running in debt. A nation is an individual *among* nations, and, like any individual person, may be forced to stop payment. Nothing but the Government of a nation is competent to bar this result, by stepping in and saying to importers, Ye shall not bring goods here to run us in debt. In other words, by enacting a suitable Tariff.

### *Reason of this obligation.*

Trade is a complicated machinery, of many parts, many chains, and many links, each trader occupying the place of a link, connected with others by the interest of the parties. It is the interest of the importer to buy and sell all he can, *tempting* his customers, till they are *involved in bankruptcy*. It is impossible for the public, the secondary parties, to know that bankruptcy is coming, till it *has* come. But the Government can know it, if they are fit to be governors, and ought to prevent it.

### *There can be no adequate basis of a currency without an adequate Tariff.*

In the absence of a suitable Tariff, specie is withdrawn from the country, as was the case in the operation of the Compromise Act, in its last stages, by the fall of duties. It then becomes impossible to support an adequate circulating medium redeemable in specie. But the Tariff of 1842 is now restoring to us the basis of a sound currency, and if it should not be disturbed, there is every prospect that we shall, ere long, have an abundant and sound circulating medium. But nothing could be more unfortunate for the country, than to check this return of specie, by impairing the instrument that brings it back.



### *A contingent prospect.*

We have now a chance of being rescued from our great misfortunes, if we should be prudent enough to *let well alone*. Life is returning, vigor begins to reanimate the body politic, the nation, lately shorn of its locks, shows symptoms of reviving energy. By fostering the labor and stimulating the enterprise of our own population, and protecting our manufactures from a ruinous competition with the serf labor of foreign despots, we are laying a sure foundation for a sound and adequate currency; but, undermine this structure, prostrate this agency, and we are *down again* as a nation.

### *The greatest good of the greatest number.*

There may be a few who will make less money in consequence of the Tariff. The importing merchant, whose interest it is to buy as cheap as he can, sell as high as he can, and as quick as he can, might, doubtless, acquire more wealth, if trade were perfectly free to him all the world over. So, also, might it be with his carrier, till a foreign carrier shall underbid him, when free trade shall be open to that vocation. But the great mass of our population would suffer by it; for there is not a single article of our domestic manufactures which will not come cheaper by competition *under* protection than *without* it, and the products of our soil will have a better market. We produce certain things which foreign nations must have, and what they do not want they have already prohibited.

### *Political anatomy.*

As a nation depletion had been practised upon us by the doctors till we were well nigh dead. But the specie that is now returning to the country, under the operation of the Tariff, is our life-blood. Nevertheless, it requires a *heart, arteries, and veins* for distribution. It is not enough for the human body that the blood be chiefly on one side, while the heart and the other side are nearly destitute. That is disease—paralysis. A *universal* distribution of the vital element is required for health. The great arteries must be filled, and the *heart*, by its vigorous functions, must regulate the pulsations of every part to the surface and to the extremities.

The specie that is now returning, as a basis of trade, cannot circulate in its own proper form commensurate with the demands of trade. It is a physical impossibility. It might do so for the small trade of barbarians, but the immense trade of this immense country cannot be carried on in this way. Banks, as *organs* of circulation, are indispensable. Hence—

### *The necessity of a re-organization of our currency system, or a return to the old one.*

The specie that is now returning, for the most part, lies dead in the vaults of the Atlantic cities, with little service to the country at large. Our vast interior, that needs it most, scarcely feels it. It is because our currency system has been deranged and broken down. The blood is on one side, and beats but faintly at the heart. It is paralysis. The banks, where the specie is heaped up, dare not extend their circulation, not even equal to the demands of their own regions, for they do not know how the Government will treat them. A stage of returning prosperity is arrived at, but a platform for the next stage, for a consummation, is wanting.

Turn, and twist, and agonize as we may, it will be found impossible for this great work to be properly and well done, till the general Government shall have taken the business in charge, and set up an Agency that shall be able to lay its broad hand upon the nation, and reach every part of it with its fingers. All experience has proved, that the State banks, besides being unsafe, while operating alone in this field, are incompetent to the task. They have never done this duty well; *they cannot do it*.

### *The Constitutional question.*

To debate the *right* of the general Government to authorize a national paper medium, after the Supreme Judiciary has repeatedly, and each time with unanimity, decided the question, and after all the Presidents of the United States, except one, and an *Acting* President, have concurred, would seem superfluous. The right of the *States* to do this, might, perhaps, be questioned, if usage had not sanctioned it. None will deny, that the *design* of the Constitution, in giving power to Congress "to coin money," and withholding that power from the States, was to secure a *uniform* currency; nor will it be denied, that the power to issue a paper medium, exists *somewhere*.

But, a paper medium being the chief currency of the country at all times, it is, in fact, more influential in maintaining or disturbing uniformity, than coins. Besides, a constitutional power given for a specific end, implies the *means* indispensable to that end, else it

is no power at all. And so says the Constitution itself:—"Congress shall have power to make all laws, which shall be necessary and proper for carrying into execution the foregoing powers."

Consequently, as a paper medium always has been and is the chief currency of the country, the end of *uniformity* would be totally subverted, if this power be denied to the general Government. Better far, to have given the power of coining money to the States, and that of supplying the paper medium to the national authorities.

If, therefore, it is the right and duty of the general Government "to coin money," it is also their right and duty to furnish a paper currency, so long as it is used as a part of the circulating medium of the country.

### *Independence of the international currency.*

By international currency, we mean *gold and silver weighed in the scales*, which is the only *common* currency of the whole world; and by its *independence*, we mean, that no national legislation, or despotic power, can control it, *but it controls them*. This truth secures a great, important, practical, public good:—viz. that no nation or state, no corporations or individuals, can, at any time or anywhere, put forth a currency that will not *instantly* be proved by this. This state of things results from the fact, that the whole civilized world has become a domestic scene, *one trading family*, all parts of which are governed by this *one law*. It is impossible that insurrection against it, though a conspiracy of nations should engage in it, should start up anywhere with hope of success. This great conventional law of the commercial world, which owes its origin to no human legislation, but to the provisions of nature, would put them all down, and has done it repeatedly and uniformly.

### *Inferences.*

It will follow, that all legislation on banking and the currency must have respect to this controlling principle, else it will come to bad. It also follows, that the public are protected by these provisions of nature against the quackery of legislation, the power of despots, and the arts of smaller swindlers, so far as the recognition of *true* money is concerned.

### *A practical distinction.*

The difference between international currency, *gold and silver weighed*, and the *legalized* currencies of states and nations, is of practical importance, chiefly political. It is impossible to apply the common test of the great commercial world, to wit, the scales, to the common currency of a nation, in its common uses. It is *obliged* to be built up on a *credit foundation*; but it is of supreme political importance to the state, *to see*, that there is *no cheat* in it, as it cannot escape the test of the scales.

### *The political vitality of an established national currency system.*

Whatever may have been the currency system of a country, there is a *political vitality* in it that cannot be tampered or trifled with. If the Government invades it, it stabs itself, as well as the nation, to the heart. In every national currency, whether gold and silver coins alone, or mixed with paper, there is necessarily involved a *credit system*. To make war on this system, is striking, with murderous weapons, at the vitals of the body politic—for nothing can be more vital than the monetary system of a nation. The trade, in other words, the business of the people, in all its branches, the public finances, and the machinery of Government, all depend on this, and go by this, or else cannot go at all.

### *Disasters of change in a national currency system.*

In a great commercial community like ours—so peculiarly and actively commercial—a great and radical change in the currency system cannot but be disastrous. Individual habits may be changed, at least gradually modified, though it is hard work; but to change the social and political habits of a nation, suddenly and radically, in so important a matter as their commercial economy or currency system, is like the march of a revolution.

### *A Government Bank.*

It is only within a few years that much has been said on this subject, and it is not, perhaps generally well understood. But it is important it *should* be understood, as efforts have recently been made to establish such an institution—or rather, to extend the Constitution of the United States, by enlarging the powers of Government; for such is its effect, and that too, in a very important point of view.

Mr. Van Buren's Subtreasury was a Government bank in embryo, and Mr. Tyler's chequer was its consummation.

Banking is trading in money. It is one of the parts of society that is necessary to the other parts, and like all other parts should be regulated by law. It is not a part of Government, and can never lawfully be so. It is a *trade*, not a governing power. To introduce it into the Government, is adding to the Constitution; for Government to assume it, is usurpation. Such, in an incipient stage, was the Subtreasury; and such, in the maturest form, was the Exchequer.

Of all the agencies of society, banking requires the most rigid authority of law, and the most watchful care of Government. It should be aware that a *Master* in the Government ever stands by its side, and is ever looking into its concerns. But banking in the hands of Government, as a part of its functions, has no master, but is a sovereign power. Why, Sirs, it is frightful to think that banking should have had even a chance of gaining such a position in this free country! But such, *precisely*, is the thing that has been proposed! Nay, nay! We will have no such thing. Banking is a vocation to be governed, and *well* governed—not a power to govern.

### *What follows.*

It does not necessarily follow, that we are to have an *old-fashioned United States Bank*, as the common phrase is—though it might be fair to ask what *hurt* it has done? It always did well as a *regulator* of the currency; it always secured a *good* currency; it facilitated and equalized exchanges, and was in universal credit at home and abroad; it discharged all the fiscal operations of Government forty years, without charge; it was a safe deposit of public funds; and in all its functions served the Government and people well. *These are facts.* But, nevertheless, it is not the *mode* of furnishing a national currency, that is of consequence; it is the *principle*:—*Separate it entirely from the Government, and govern it well.* It should be a *creature*, not a *part* of Government. Give it any improved form whatever, and throw around it additional guards. It is always in the power of laws, under care of Government, and in the hands of the people, as their servant and subject. Through their representatives, they make and take care of it, and it is obliged to do as they bid.

### *A word on the Subtreasury.*

It is a heartless, cold, selfish thing. It provides for the Government by robbing the people. And who are the Government? What claims have they for such special care? The insolence of the Subtreasury is astonishing, as if the Government were the nobility, and the people serfs; as if the former were to be provided for, whatever becomes of the latter. We really cannot see the use of Government, if it does not take care of us, but only makes us slaves, to take care of them. Better, as seems to us, to have no Government at all.

The authors of the Subtreasury, apparently conscious that, by breaking down the currency, and ruining the trade of the country, they had driven the people out of house and home, and deprived them of meat and clothing, seemed only anxious to provide a house for themselves, and get something to live on in it. But the people, seeing how it was, turned them out, and will doubtless take care that they do not get in again.

But the Exchequer plan went a little farther, and proposed to unite the supreme commercial power with the supreme political power, thereby putting it in the power of the President, as master of the banking trade, and master of the authorities by which all other trades are conducted, to control the trade of the country—to *control everything*.

### *The last effort for a false system of currency.*

It is *apparent*, that the *principle* of a Government bank is not yet dead, and that another effort is likely to be made to revive it in a new form. The precise modification it may assume, will depend on the necessities to which the arts of designing men may impel them; but the *principle* will be *United States Treasury credit* hooked in, perhaps, or mixed up with State banks—another pet bank system. It will be an attempt to make Government *credit* answer the purpose of a *common* currency—a thing impossible, if a uniform and stable currency be required. Government credit can never be anything other than a *subject of trade*, to be dealt in by bankers and brokers. Six months previous to the writing of this article, it was below par; now it is above; and when this gets into the hands of readers there is no telling where it will be.

We ask the people one single question, which will bring the matter home to them: Are you accustomed to see United States Treasury notes as a *common* currency? Such a thing was never known, and cannot be. You may see them passing over the counters of bankers and brokers, *in the way of trade*, or in the hands of persons who want to keep money by them; but the moment they want to use it, they *sell* it at a premium, or are obliged to get it discounted, if it is below par.

Until we can get a national currency, a part of it as low as *ten and five dollar* notes,



always of uniform value by being payable in specie, it will never become *common* to accommodate the *people*.

*What the abundance of money, and its low interest, teaches.*

It is agreed, that now, in the middle of 1843, the best securities can get money at *four per cent.*, and it goes begging at that. This teaches, first, that the state of trade is very bad; for in a prosperous state of trade, the use of money commands a high price, and is difficult to be got. Secondly, it teaches that capital is abundant for the revival and re-organization of a suitable currency system. It would now be the easiest thing imaginable to re-establish an institution for a national paper medium, *provided* that capitalists could have a reasonable degree of confidence, that the policy of a Government, inviting such investment, would continue *uniform*. A national bank, established for twenty years, would be a most attractive investment of capital for these times.

*Who are the democrats on the subject of banking.*

The *democrats*, alias *republicans*, of 1816, (for the parties then were called *Republicans* and *Federalists*, and knew no other names), gave us a bank, by 80 votes to 71 in the House, and 22 to 12 in the Senate. Let it be remembered, that it was the *Republican* or *Democratic* party that gave us the United States bank, with James Madison, a democratic President. But a new political sect has since arisen, professing to stand and walk in the democratic shoes; but, in fact, they are Federalists of the worst stamp, uniting in their creed the most obnoxious principles of that obsolete school, such as admiration of the veto and other high Federal and monarchical powers, with the most radical and revolutionary doctrines. Taken together, it is the seed and type of absolute government, and had its origin (a fit paternity) in a blind devotion to the will of one man, who thus became the *father of Locofocoism*.

Who, then, are the *democrats*? The Whigs stand precisely in that position, not only on the subject of the currency, as those principles were avowed and settled in 1816, and re-asserted in 1832, though overcome by the veto of the Locofoco Primate; but the Whigs are also the true democrats as advocates of popular rights, and as reformers of Executive usurpations and corruption.

*A great mistake.*

We regret that the excessive *amiability* of the Whigs and the Whig press (shall we call it folly?) should allow the Locofocos the benefit of the *name* of democrats. It is one of the greatest mistakes a political party ever made. We know the practice is being dropped; nor can it be dropped too fast or too quick for the good of the country. The position which the word *Democracy* occupies in men's minds, as its etymology indicates, is, for the most part, the *opposite* of Monarchy—a *people* government. *As such*, it will rule the world, and ought to do so.

*A false accusation.*

The Whigs are accused of being the *bank-party*. If this means that they want a *sound* banking system, always paying specie on demand; that they want *few* banks, and the least amount of bank capital that will answer the necessities of the country, then the charge is true. They have made *few* banks, and with rare exceptions, *good* ones; whereas their opponents have covered the country with banks that have brought ruin upon us by their explosions.

*Loss to the country by losses on exchanges in a bad currency.*

We heard a distinguished Senator of the United States, whose accuracy of information is reliable, say, that the domestic trade of the country, requiring settlement by exchanges, may be estimated at about *four hundred millions a year*. If we suppose that the average of losses by exchanges in this trade, on account of bad currency, after the destruction of the national medium, was *five per cent.*, it amounts to *twenty millions annually*, about equal to the fair cost of the general Government.

*But this is not all.*

It is, indeed, one of the smallest items of loss to the country in such a state of things. The embarrassments of trade produced by it, cannot be estimated. It affects every man's business, interest, and fortune, and produces momentous results in the shifts of trade, forcing it into unaccustomed modes and channels, as regards the commercial connections of one section of the country with another, all to the detriment of public and individual wealth.

*A common impression.*

It is, doubtless, a very just impression, so commonly entertained and expressed, that the derangement of our currency system has been the chief cause of our national misfortune.

The currency is so intimately allied to trade and credit, that it cannot be separated from them. If we have succeeded in determining where lies the responsibility of breaking down our currency system, we have also succeeded in determining where lies the responsibility of breaking down the trade and credit of the country.

### *The greatness of this ruin.*

In the midst of the unhappiness of our public and private misfortunes, thus occasioned, few have thought of the extent of the evils. A just array of them by the power of figures would doubtless seem incredible. Nevertheless, let every individual calculate for himself what he, personally, has lost, what chances have been sacrificed by him, what he might have done, and what he might have been, if the prosperity of the country had not been arrested by these fatal measures; let him consider that he is only one of *seventeen millions* of people that have suffered in like manner, and he will then be prepared to appreciate the following estimates of losses to the country, arising out of the mal-administration of our public affairs for a series of years.

The United States Almanac states the losses occasioned by the *monetary* disasters of the country, growing out of the revulsion of 1837-42, thus:—

Losses on bank circulation and deposits,	-	-	-	\$54,000,000
“ on bank capital failed and depreciated,	-	-	-	240,000,000
“ on State Stock depreciated,	-	-	-	100,000,000
“ on Company Stocks,	-	-	-	80,000,000
“ on Real Estate,	-	-	-	300,000,000

Total of these items, - - - - \$782,000,000

But these are only a few of the many items of our losses. We have carefully examined a statement in detail of the commercial statistics of the country, collected and arranged by an able hand, “*Concivis*,” in a series of letters addressed to the people of the United States, in 1840, by which the following results (apparently fairly deduced) in the depreciation of property and labor in the United States, for the four years previous to that date, are obtained:—

Losses on wool,	-	-	-	-	-	\$20,000,000
“ on cotton,	-	-	-	-	-	130,000,000
“ on grain,	-	-	-	-	-	150,000,000
“ on foreign merchandize,	-	-	-	-	-	130,000,000
“ on domestic do.	-	-	-	-	-	400,000,000
“ on capital vested in manufactures,	-	-	-	-	-	50,000,000
“ on capital vested in moneyed stocks,	-	-	-	-	-	150,000,000
“ on capital vested in slave labor,	-	-	-	-	-	400,000,000
“ on capital vested in lands,	-	-	-	-	-	2,500,000,000
“ on capital vested in real estate in cities,	-	-	-	-	-	500,000,000
“ on the price of labor,	-	-	-	-	-	1,500,000,000

Total, - - - - \$5,930,000,000

So much for the losses for the four years previous to 1840—the aggregate being greater than the national debt of Great Britain. But this is not all. These losses will have continued another four years before we shall begin to get out from under them, which will *double* the amount; and then it will be many years more, under the most favorable circumstances, before we can fully recover our prosperity, which will at least *treble* the amount—a reckoning of misfortune to a nation sufficiently astounding.

### *A sound from the West.*

As an item of news, if we may be allowed to descend to this function, it appears, that now, in 1843, the whole of the Great West are moving, like the waters of a mighty ocean, for the revival of our national currency system; and already the deep-rolling swell of the sea, in its progress towards the rising sun, dashes over the lofty ridge of the Alleghanies, and begins to sprinkle the Eastern plains and valleys. *Look out for a deluge, to re-baptize the nation.*

NOTICE:—The next Tract in this Series will be on the **TARIFF**. Orders for these Tracts will be promptly executed (only for cash) by the publishers, Greeley & McElrath, of the Tribune, New York, and Godey & McMichael, Philadelphia. They may also be had of booksellers generally.